

Serneholt Estate

BUYERSGUIDE

BUYING A PROPERTY IN SPAIN

AT HOME *with*
ANETTE OCH HÅKAN

Anette and Håkan talk about their experience of selling and buying property in Spain through Serneholt Estate.

THE BUYING PROCESS

step by step!



Serneholt Estate

REAL ESTATE AGENCY

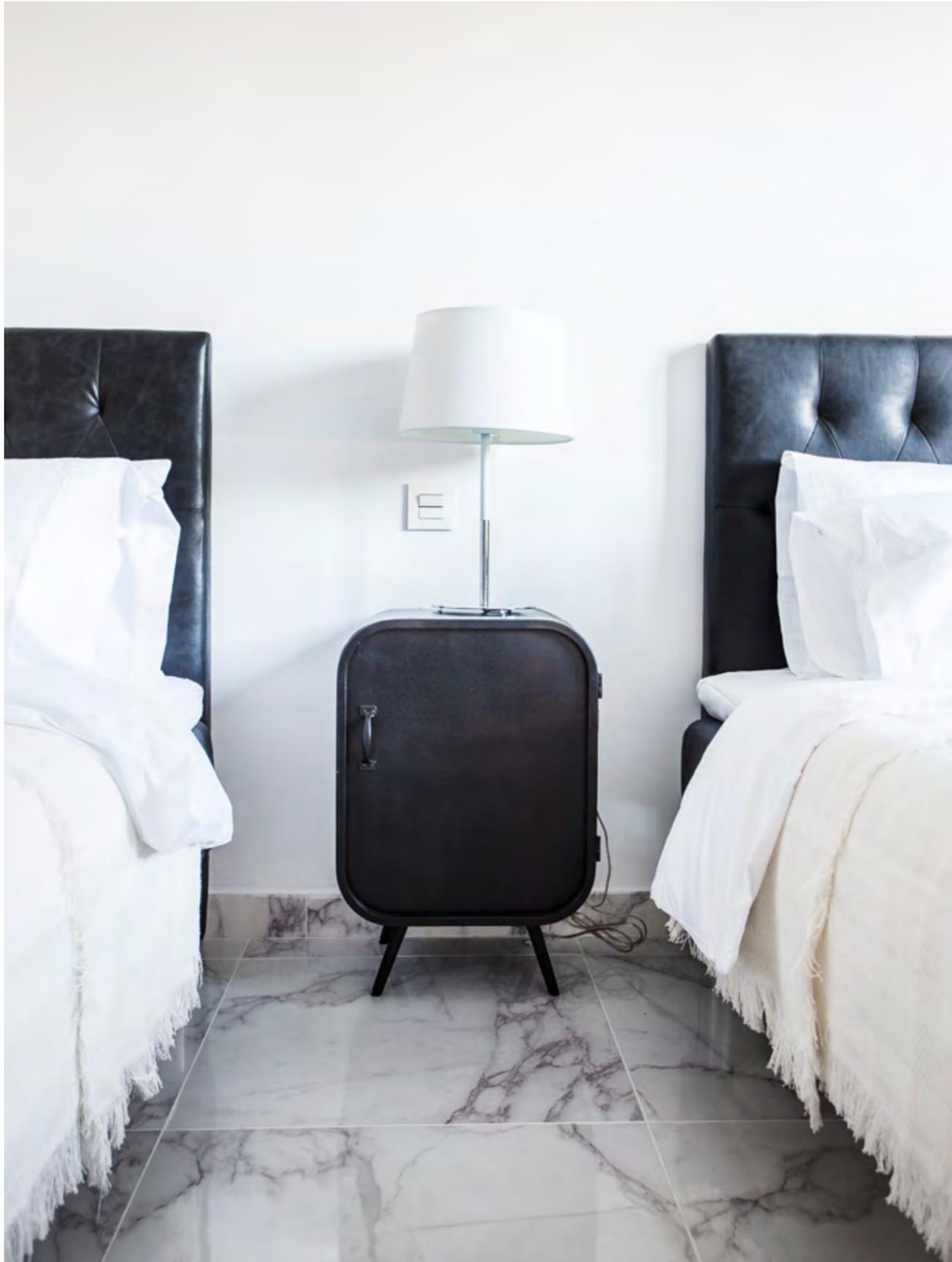
Real estate with real values.

For buyers and sellers with high demands
on a real estate service.

CONTENTS

05	WHY MAKE WHAT'S EASY DIFFICULT? Linda and Fredrik Serneholt talks about Serneholt Estate's vision.	06	UNDER THE SPANISH SUN Meet Anette and Håkan who both bought and sold a property through Serneholt Estate.	10	BUYING YOUR PROPERTY
12	THE BUYING PROCESS Buying a property in Spain is different than in Sweden. Find out how it works.	14	PREPARATIONS Preparations such as financing, choice of legal representative and organising an NIE number.	16	VIEWING & BIDDING Viewing properties based on your wishes. Bidding on and reserving the property you want to buy.
18	CONTRACT & ACCESS Contract and moving into your property.				

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WHY MAKE WHAT'S EASY DIFFICULT?

Buying and selling homes has been a large part of our lives since early 2000 and, after thousands of transactions, we feel confident in saying that we're really rather good at this.

“Having one of the market's largest and broadest advertising coverage on the right portals and right social media is, to us, a clear advantage.”

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When we moved from buying and selling homes in Sweden to doing the same in Spain, we saw a big difference in the quality of service for people selling their property. Dark, poor-quality photos and scant information were more the norm than upbeat photos and a clear presentation. It's quite surprising that only just a few years ago buyers weren't pushing the market for properties to be presented better.

We realised quite quickly that the argument for these differences was paper-thin, so we decided to get on board and develop the market's best service for people like you, who are looking to sell their property. Today, we've come quite a long way with professional photographers, floor plans, maps showing the location of the property, the opportunity to verify the ad by presenting it on MiMove and much more. Having one of the market's largest and broadest advertising coverage on the right portals and right social media is, to us, a clear advantage for finding the right customer for your property. With this guide, we want to present our way of working and give you, as a buyer, a clearer picture of what you can expect if you choose us at Serneholt Estate as agents for your home!

Best wishes

*Linda och Fredrik
Serneholt*

UNDER THE SPANISH SUN

We've joined Magnus, an agent from Serneholt Estate, to visit the home of Anette and Håkan, a beautiful, bright villa, which the couple have just bought, to hear a bit more about their experience of selling and buying a property in Spain.

“Daniel surprised us with his positive attitude. He not only was able to give us all the information we asked for, he was also very service-minded, pleasant and professional, yet he also struck us as being a serious and reliable person”

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“What caught our eye was the fact that the whole presentation of the window and office looked so stylish and interesting.”

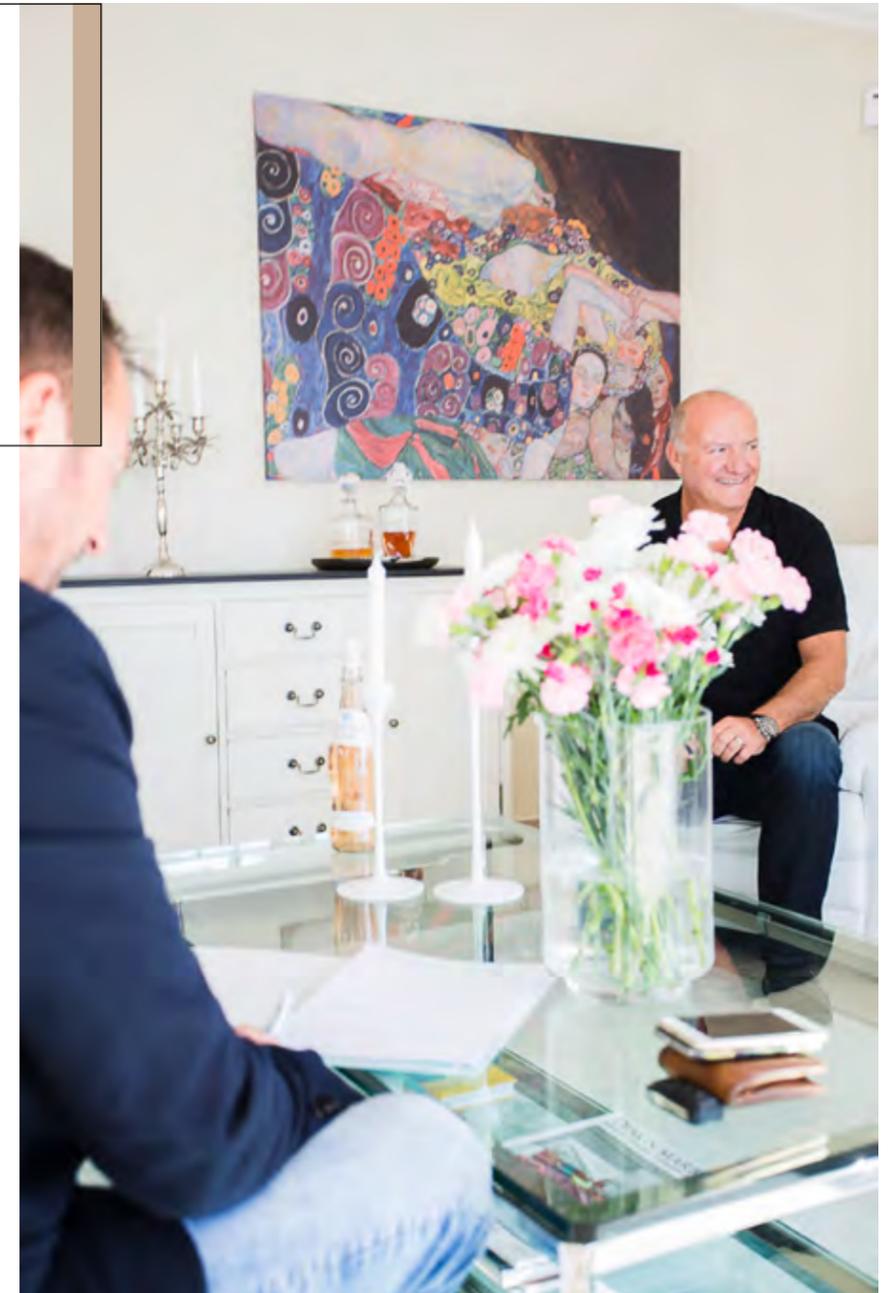
Anette and Håkan are in the middle of refurbishing their villa, but are able to show us around and talk about the changes they have already made.

-We've done away with the drab and worryingly “disturbing colours,” laughs Anette and gone for a white, modern and homely feel, although we have still tried to preserve the charming Spanish style. They have clearly changed the villa in the short time that they've owned it and made their own little oasis, with a fantastic view over the Mediterranean. We sat back in their light living room, where brightly coloured art adorned the walls.

-We happened to pass Serneholt's offices in Fuengirola one day when we were out and about. We stopped and had a look in their window at the various properties for sale on display there. What caught our eye was the fact that the properties in the window looked so appealing and the whole presentation of the



“When it comes to business and especially a major thing like a property transaction, you expect quality.”



window and office looked so stylish and interesting. It gave the impression of being well organised, which we liked. Håkan recounts the events in a calm but emphatic voice, while settling back comfortably in his armchair.

-It is also extremely important for us that you sense an air of seriousness and professionalism before considering whether to appoint an agent. While we were standing there, perusing, Daniel came out and asked whether we needed any help. We just so happened to have a few questions regarding a property we were possibly interested in. Daniel first needed to check some details, but promised to come back to us as quickly as possible. And it was almost like a little test on our part, chuckles Anette. It's happened to us before, when the person in question didn't come back as promised. Then you know it's not a serious company, and certainly not one you'd choose to deal with. Håkan agrees and continues:

-Daniel surprised us with his positive attitude. He not only was able to give us all the information we asked for, he was also very service-minded, pleasant and professional, yet he also struck us as being a serious and reliable person. That's something very important to us. That you feel that the company and the people working there are reliable and serious. And that was in fact what led us to decide to appoint Serneholt Estate to sell

our old property and also to help with the purchase of our new one here. Anette and Håkan remember fondly and we barely notice the minutes fly by. They jokingly tell us of some of the faux pas made by other agents, who instead of showing them properties based on their special wishes, wanted to show completely different properties that the couple weren't interested in at all, only to then “give up” and offer a “tour of the town”

instead. This doesn't impress Anette and Håkan. Because, despite their friendly, warm manner, they both have business backgrounds and high expectations of the services they pay for.

-When it comes to business and especially a major thing like buying or selling a property, which in fact is one of the biggest events in a person's life, you expect quality. You also expect sensitivity to what the customer is looking for, of course



“Everything was taken care of quickly and efficiently. That’s why we definitely recommend Serneholt Estate to all our friends.”

se. And you also expect security and seriousness. And we’re not prepared to pay for a service that is just “so-so,” says Håkan.

-I expect an agent who delivers the best and satisfies my criteria. For me, I’m not that interested either in choosing an agent based on the commission they take, just choosing the one that’s cheapest, whereas the most important thing of all is, of course, that you get 100% service, follow-up, accountability and closure from the start to the end of the process. And that’s what Serneholt Estate really gave us. You can see that Håkan is happy. He and Anette laugh and joke together with Magnus throughout the conversation. You get the real feeling that they are three friends talking instead of an agent meeting his customers.

-And that’s precisely how we work. We really want our customers to feel that the contact with us is personal, while at the same time feeling secure and able to confidently rely on the broad experience and knowledge we have. Quite simply, we give our customers more. We want our customers to be discerning and expect the best, because that’s what we deliver. Anette nods in agreement at what Magnus is saying.

-We really did our homework before deciding to buy a property here, so that we really knew what we could expect. Although, of course, a good and serious agent is important, you also have your own responsibility to actually find out what the differences are and what you can expect. We had already bought a property here in Spain before having any contact with Serneholt Estate, so we read up on things in detail before the purchase. When we then came into contact with Serneholt Estate, we carefully read all the information available on Serneholt Estate’s website, and, of course, we also got all the information we needed directly from our agent both during our sale and during our purchase. It is incredibly important for the contact with the agent to work well for you to have peace of mind throughout the process. It is also very important to have a competent lawyer that’s been recommended by the estate agency. And even there we felt assured and in good hands the whole of the way.

You can see that Håkan and Anette are happy in their little “oasis”. The area is calm and peaceful, and the hillside down to the sea with its silhouette of palm trees and rooftops covered in vibrantly coloured is

bougainvillea, offers a fantastic view. The sea, which is just a few minutes away, is shining from the small reflections from the sun. Here under the Spanish sun, they have finally found their paradise. -We have travelled a lot in our day and we considered buying property in several other countries, before settling for Spain, but there was always something missing. In Spain it feels different. There’s a lively community here all year round, and it doesn’t get like in lots of other places, which become dead and deserted in the winter once the tourist season is over. Besides that, we have perfect connections here with economical flights from Malaga airport to destinations all over the world. And getting to Sweden takes just a few hours. There is also an unbelievable amount of things to do and see here, so you never grow tired of it. There’s always something new to discover. The countryside is also fantastic and varied, we’re surrounded by mountains and sea. We have lots of wonderful golf courses, fine restaurants, and not far from where we live, there’s the charming “white village” Mijas Pueblo – a wonderful place to go for a short trip out!

-If you were to summarise your experience with Serneholt Estate in just a few words, how would you describe them?”

-Sensitive. Serious. Professional. Good communication – the ability to be clear and listen to our questions and wishes, and provide information on a regular basis throughout the process.

Speed - We never got the feeling that things were being held back due to our agent, rather everything was taken care of quickly and efficiently. That’s why we definitely recommend Serneholt Estate to all our friends who are thinking of buying or selling in Spain.



SELLING YOUR OWN PROPERTY.

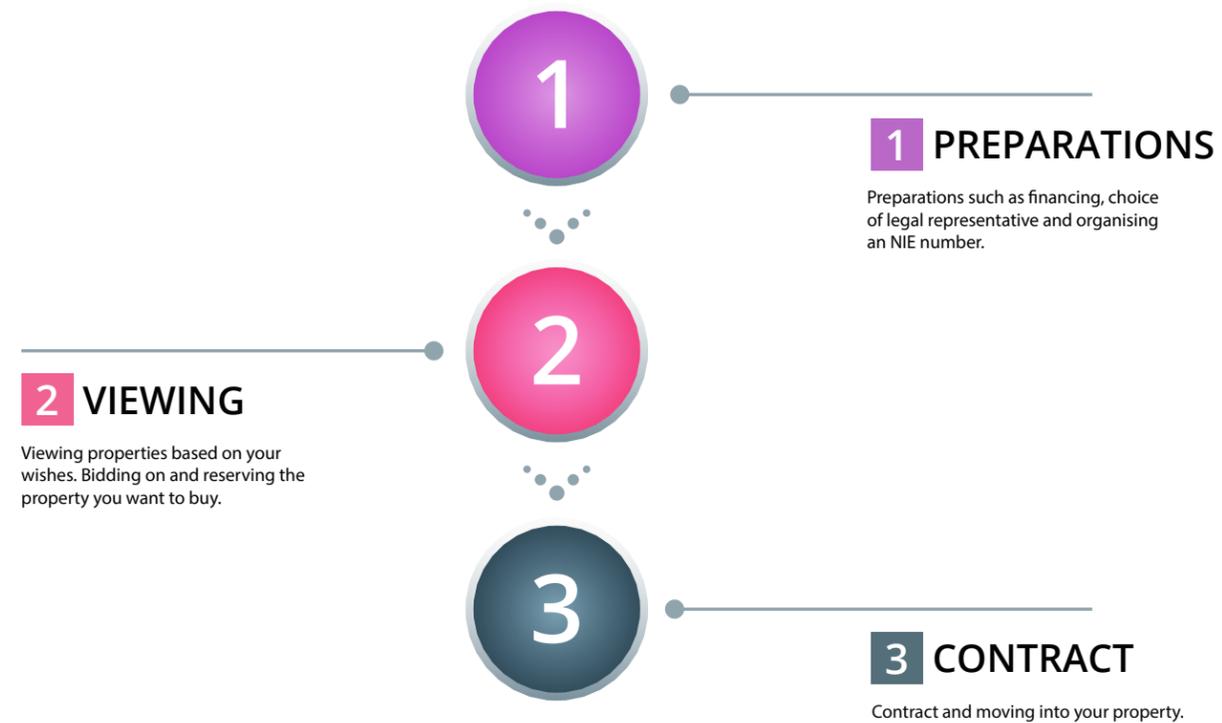
Buying your own property is one of the biggest events in your life. It's important to find out as much information about the process as possible. And, of course, choosing an agent you can trust.



TIMELINE

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THE BUYING PROCESS



THE BUYING PROCESS

Property in Spain.

When buying a house or apartment in Spain, it is important to understand that the process is different than in Sweden, and that it can take longer.

“Having done your homework and knowing what you can expect when buying a property is the first step towards making your dream home a reality.”

...

The transfer of ownership of a property in Spain goes through a Spanish notary. The buying process in Spain can be more complicated and take a little longer than in Sweden. Having done your homework and knowing what you can expect when buying a property is the first step to a successful deal. The next step is choosing your agent. It is important to look into the agent's ability to find just the right property for you, and the agent's expertise and commitment in representing the client's interests. Ask about their brokerage skills, how the agent performs their role in finding your dream home etc. At Serneholt Estate we always offer clear, on-hand communication throughout the time we work with you and our biggest focus is on you, the customer, at all times. It goes without saying that we will keep you informed and updated throughout the whole process. You will find that this is not so common in the Spanish housing market. To make it easier for you as a seller we have compiled this buyer's guide. So here is how it works – all the way up to the last meeting with the notary.

PREPARA- TIONS.

The first steps in the buying process are the preparations, such as financing, choice of legal representative and organising an NIE number.

Financing

What options do you have when investing in a home in Spain? Before actively looking for your dream home, it's worth considering how you're going to finance it by doing some calculations. You may then need to apply for a mortgage offer from a Swedish or Spanish bank. This will allow you to act fast when the right home comes along. You can usually borrow up to 75% of the property's market value from a Spanish bank. Another option is to mortgage your existing Swedish home via your bank in Sweden. We can help put you in touch with the right people and anything else you might need.

Legal representation

A big difference in Spain is that the buyer – and quite often the seller – is represented by a lawyer. The lawyer will help you through the whole transaction, making sure everything takes place securely and as it should do. You can choose a lawyer yourself to help you through the process or we can put you in touch with one of our partners.

NIE number

To own a property in Spain you will need a Spanish tax ID number, known as an NIE number. You will need this to take over ownership of the property when you register your title. Your lawyer can help you get one when you have found the right home

or you can apply yourself at the Spanish embassy or consulate in Sweden, or at a Spanish police station. Your NIE number certificate will only be valid for three months.

Finding property

Once you're got everything ready, you can start looking for property and head off to Spain for some viewings. As a company, we can make a big difference for you. Send us a wish list and we'll find the best of what the market has to offer. We'll also plan your viewings so that you get to see the best options during your visit.



Every property and every person is unique and, based on our experience, we know best how to lay the foundation for a successful purchase.

VIEWING

& bidding.

This step of the buying process is all about viewing property in the search for your dream home. We will of course help you right through from viewing to bidding and reservation.

Viewing

A successful viewing is also the result of commitment and sensitivity on the part of the agent and, as agents, we focus intently on your particular wishes. In this way, you only get to view the properties that we know definitely meet your wishes. During viewings it's a good idea to inspect the property as carefully as possible, since all property in Spain is sold in its existing condition and it's very difficult to claim for any defects once you've signed the contract. If you don't know how to go about inspecting the property you can always contract a surveyor to conduct a survey. Your lawyer will always conduct the legal enquiries and searches on the property.

Auction/Reservation

This type of auction is not as common as it is in Sweden. Instead, the seller goes with the buyer who's prepared to pay the asking price. The final price of the property is also often decided through a negotiation between the buyer and seller. When you have found the right home, we'll help you negotiate the price and terms with the seller, after which a reservation contract is generally drawn up. A reservation fee (usually 6,000 euro) is also payable at this time either to your lawyer's client funds account or to our client funds account. Around 2-3 weeks later, the private sales contract is drawn up, which is prepared by your lawyer after the legal checks have been done. A deposit of 10% of the purchase price, less the reservation fee, is usually paid at this time.



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CONTRACT

& access.

As a buyer, you don't have to be present during the purchase. If it is not possible to be present, we can help put together the necessary documentation so that we can handle the entire process for you.

Reservation

When the buyer and seller have agreed on a price, a reservation contract is drawn up. This means that you, as the buyer, pay a reservation fee to reserve the property so it is taken off the market. You are responsible for inspecting the property carefully before the sales contract is signed. The premise is that the property is sold in its existing condition, taking into account its age, price and use.

Contract

The next step in the buying process is to sign a contract of sale, called the "Arras", or "Option de Compras". At this point you, as the buyer, normally pay 10% (including the reservation fee already paid) of the total purchase price to the seller. This contract is prepared by the buyer's legal representative.

Ownership title

On the completion date, you and the seller meet with the agent and the legal representatives at the notary's office. It is your representative who chooses the notary and who is responsible for booking the appointment. The notary checks both the buyer's and the seller's identification to confirm the property's legal status. And it is also here that you receive your ownership title, the "Escritura pública de compraventa".

Payment

The notary receives the payment, and after paying the taxes and fees, he distributes the final balance to the seller. The seller receives 97% of the purchase price. You, as the buyer, pay the remaining 3% to the Spanish tax office. This acts as a security to ensure that the seller fulfils their tax duties and declares any capital gains from their sale in Spain. When the seller has then met all the official requirements, the 3% will be refunded to them.

Access

You receive the keys from the seller at the meeting with the notary, after which you can move straight into your property. The seller is responsible for leaving the property in the condition (legally and physically) and with the installations and licences stated in the sales contract. Remember that the same requirements don't apply in Spain as in Sweden, e.g. thoroughly cleaning the property, and the property is usually left in its present condition for the new owner, unless otherwise agreed between the parties.

Costs

The normal purchase costs of a Spanish property are estimated at between 10% and 14% of the purchase price and in most cases are slightly higher for new builds than for existing homes. We have summarised the costs linked with buying your home below.

- **Transfer tax** - A transfer tax is payable on the sale of existing homes, which amounts to between 8% and 10% of the sale price, although this can vary depending on the region. The tax is often higher for more expensive homes. The transfer tax is payable by the buyer.
- **Value added tax and stamp duty** - Value added

- tax at 10% is payable on homes being sold for the first time, e.g. new builds. In addition to VAT, stamp duty is payable for the issue of the legal documents. This is normally around 0.5% of the purchase price, but can be 1.5% in certain regions. Both taxes are payable by the buyer.
- **Notary fee and title registration fee** - The Spanish government determines the notary fees, the cost of which depends, among other things, on the property's value and how many pages the sales contract has. In most cases the cost is between €500 and €800 and is usually paid by the buyer. If you have taken out a bank loan to finance the purchase, you will also need to pay the notary fees for the title registration linked to the loan. Title registration fees amount in most cases to between €300 and €500 and are paid by the buyer.
- **Legal fees and translation fees** - Legal fees vary depending on the services included in the purchase and its complexity. Most lawyers charge around 1% plus VAT of the property's purchase price, although there is normally a minimum fee. The fee is often negotiable for more expensive properties. Some charge by the hour and others offer a set fee.
- **Borrowing costs** - Most Scandinavian customers borrow against their home in Sweden. If you take out a bank loan in Spain to finance buying your home, this home loan will be subject to stamp duty of between 0.5% and 1%, depending on the area the property is in. The bank granting the loan will also require a property valuation to be done. This costs around €300 to €500. Most banks also charge a startup fee of around 1% of the loan amount.
- **Service connection charges** - When you buy a new home, you have to pay for the electricity, gas and water to be connected and a meter to be installed. This is often taken care of by the building company.
- **Homeowner costs** - Homes in Spain are subject to a local property tax, which is paid regardless of whether the owner permanently resides in the country or not. The tax is between 0.5% and 1.2% of the taxable value. The average cost of the homeowner tax lies between €200 to €1000 a year, but can be higher for more expensive properties. All owners of Spanish property, including those resident abroad, must submit an annual Spanish tax declaration.
- **Letting costs** - Income from letting for property owners who are not permanent residents pay a set fee of 24.75% of the rental income. However, some deductions can be made. For property owners resident in Spain, the rental income, after certain deductions, is added to other sources of income and the total amount is then subject to Spanish income tax.
- **Income tax** - Non-permanent residents who do not let their homes are also liable for income tax. This tax is charged regardless of whether the property is let or not or whether the owner has actually received any income from it. The tax is based on a theoretical benefit of owning the property and is calculated as a percentage of the taxable value. The cost is usually relatively small for most homes, often a couple of hundred euro or less per year.

Buying a property from the legal point of view

When you buy a property with a Spanish company as an investment, i.e. with the aim of buying, refurbishing and selling the property within 5 years, you only pay 2% in transfer tax. This does not apply to new builds, as they attract VAT instead. If you don't sell within 5 years, you need to pay the difference in the tax you should have paid from the start, i.e. 8-10% + 50% in financial penalties. For the first two years after incurring a profit, you pay 15% in tax on the profit and for the subsequent years you pay 25% tax on the profit. You need to remember that the tax on dividends between shareholders is dependent on where the person is registered for tax.

The information in our buyer's guide is for guidance only as it is subject to change. Ask your representative for the latest details.



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Vi talar även Svenska!